



GEORGINA

Subject: Rural Economic Development Grant Program

To: Mayor and Council

From: Karyn Stone, Manager of Economic Development
Shawn Nastke, Head of Corporate Service Delivery Excellence

Reviewed By: Dave Reddon, Chief Administrative Officer

Date: January 27, 2021

Briefing:

On December 15, 2020 the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) notified the Town that they had opened an intake under the Rural Economic Development (RED) Grant Program and were accepting submissions until February 1, 2021. The RED program provides cost-share funding to support activities that create strong rural communities and opens doors to rural economic development.

The development of a business incubator-accelerator would serve to implement a key action in the Town's Economic Strategy and Action Plan: Operate a Small Business Accelerator. This project is also aligned with the Grow our Economy priority in the 2019-2023 Corporate Strategic Plan.

Town staff in collaboration with York Region Economic Development staff met with the Associate Director of Entrepreneurship at YSpace, York University to explore the idea of whether York University may be interested in being a partner to the Town's RED Grant application to create a business incubator-accelerator in Georgina. Through those discussions, York University advised that they would like to pilot a satellite location of their YSpace Markham at the LINK in Sutton and be a co-applicant to the grant application. York University's interest in exploring ways to better serve northern York Region and the surrounding area is one of the key drivers for their commitment to this project.

YSpace is York University's innovation hub focused on creating "positive change by fostering a community of innovators, entrepreneurs and change makers." YSpace offers a full suite of programs to support entrepreneurs and businesses at various stages from ideation, validation, launch and growth. While they provide programming for all types of ventures they also offer specialized services for technology-based and food and beverage ventures. Some of their current program offerings include entrepreneurship development, idea validation, commercialization of products, how to gain customers and marketing strategies, women entrepreneurship and youth innovation.

Both York Region and South Lake Community Futures have advised that they would like to be partners to the application. The Manager at South Lake Futures is currently reviewing this opportunity with their Federal funding partners and in addition to providing in-kind services will bring a contribution request of \$50,000 to the Board in the near future. Given the tight timeframes involved with this application, Town staff were still in discussions with York Region regarding the details of that partnership at the time of the writing of this Briefing Note.



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In addition, staff are in the process of reviewing this project and grant application with a variety of local partner organizations including GTTI, the Ontario Water Centre, Sutton District High School, The Chippewas of Georgina Island and the Georgina Chamber of Commerce. It is recognized that this business incubator-accelerator has the opportunity to provide services and programs that benefit many of our partners in the community. Letters of support for this grant application are being requested from these partners.

Staff have also had preliminary discussions with VentureLab. VentureLab is the Region's Innovation Centre and provides accelerator programming targeted at high-tech, agri-tech and digitization start-ups. Town and Regional staff have been working with VentureLab on the delivery of the Digital Main Street program and staff at VentureLab have indicated that they are interested in future collaboration opportunities.

Financials:

The proposed business incubator-accelerator initiative is being proposed as a two and half year pilot project with \$300,000 in eligible costs under the grant program. Provided below is a preliminary breakdown of eligible costs.

Key Project Components	Estimated Cost
Entrepreneurship Coordinator to be hired in July (\$70K per year)	\$175 K
Paid Programming	\$40 K
Marketing and Branding	\$30 K
Technology	\$50 K
Outfitting the Incubator Space	\$5 K
Total	\$300 K

This grant program is based on a 50/50 funding contribution up to a maximum of \$150,000. Therefore, the request is that the Province provide a grant of \$150,000 while the Town and its application partners would cover the other \$150,000. The proposed financial contribution breakdown is as follows:

Contributor	Financial Contribution
RED Grant Funding / OMAFRA	\$150 K
Town of Georgina	\$75 K
York University (YSpace) (Co-Applicant)	\$25 K
Southlake Community Futures (*subject to Board approval)	\$50 K*
Total	\$300 K

Given the tight time frame to finalize partnership commitments, staff are requesting Council approve funding in the amount of \$150,000. This amount would be reduced once confirmation of partner funding is received. The Director of Corporate Services has recommended that the Town's financial contribution be drawn from the Tax Rate Stabilization Reserve.

The creation of the YSpace Incubator – Accelerator satellite has the potential to result in numerous benefits for Georgina, northern York Region and the surrounding areas. Some of the benefits include:



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- Increased support with economic recovery from the pandemic
- Creation of new businesses and jobs
- Expansion support for existing businesses
- Programs to support young entrepreneurs
- Enhanced accessibility to entrepreneurship supports
- Enhanced collaboration between diverse partners to focus on economic recovery
- Enhanced branding for Georgina and northern York Region re: presence of York University/YSpace

Recommendations:

1. That Council endorse the submission of an application to the Rural Economic Development Grant Program to support the establishment of a business incubator-accelerator at the LINK.
2. That Council delegate authority to the Chief Administrative Officer to execute any required agreements to implement the initiative.
3. That Council allocate an upper limit of \$150,000 from the Tax Rate Stabilization Reserve for the business incubator-accelerator pilot, and that this amount be reduced accordingly based on finalizing partner-funding contributions.